

# Debtors' Ex. 75

H.B. 2356)  
(Conference)

(No. 153)

(Approved July 19, 1999)

## AN ACT

To authorize the issue of bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed four hundred and seventy-five million (475,000,000) dollars, and the issue of notes in advance of bonds to cover the cost of necessary public improvements and the cost of the sale of such bonds; to provide for the payment of the principal and interest of such bonds and notes; to authorize the Secretary of the Treasury to make provisional advances from the General Fund of the Commonwealth Treasury to be applied to the payment of the costs of said improvements and said sale of bonds; to grant to the Secretary of Public Works and to other agencies and instrumentalities of the Commonwealth of Puerto Rico, the power to acquire the necessary real and personal property and to exercise the power of eminent domain; and to exempt said bonds, notes and interest thereon from the payment of taxes.

### ***BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:***

Section 1.- The Secretary of the Treasury is hereby authorized to issue and sell, all at once or from time to time, bonds of the Commonwealth in a principal amount which shall not exceed four hundred and seventy-five million (475,000,000) dollars in order to cover the cost of the necessary public improvements listed below, including the acquisition of the necessary land or rights thereon, and equipment therefor, to draw up plans and specifications, the cost of the sale of the bonds and notes issued in advance thereof, and any other necessary expense in connection with the acquisition or construction of such improvements.

payable for the issuing of bonds and notes, shall be included in the computation of the price or prices for which said bonds and notes can be sold, pursuant to the provisions of this Act.

Section 2.-

(a).- The bonds to be issued from time to time under the provisions of this Act, as well as any other detail related thereto, shall be authorized through a Resolution or Resolutions to be adopted by the Secretary of the Treasury and approved by the Governor. Said bonds shall be designated as "Public Improvement Bonds of the Commonwealth of Puerto Rico of 2000."

(b).- The bonds authorized to be issued under the provisions of this Act shall be dated, shall fall due on a date or dates that shall not exceed thirty (30) years from its date or dates (except the bonds which refer to public housing which shall not fall due after forty (40) years from their date or dates), shall accrue interest at a rate or rates that shall not exceed that which is legally authorized at the time the bonds are issued, they may be redeemable before maturity at the option of the Secretary of the Treasury, may be sold with or without premium, shall be of such denomination and in such form, with interest coupons or registered, or both, shall have such registration and conversion privileges, shall be executed in such a form, shall be payable in such places within or without the Commonwealth of Puerto Rico, and shall contain such other terms and conditions as provided by the Authorizing Resolution or Resolutions.

(c).- The bonds authorized hereunder may be sold all at once or from time to time, in public or private sale, and for such price or prices not lower than the price legally established at the time they are issued, as

Section 4.- The good faith, credit and taxing power of the Commonwealth of Puerto Rico are irrevocably pledged for the prompt payment of the principal of and interest on the bonds issued under the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay the principal of and interest on such bonds as they fall due, from any funds available for such purposes in the Treasury of the Commonwealth of Puerto Rico in the fiscal year in which such payment is required, and the provisions of this Act concerning the payment of the principal of and interest on such bonds shall be deemed a non-lapsing appropriation for the Secretary of the Treasury to make such payments even if no specific appropriations are made for such purpose. Said payments shall be made pursuant to the provisions of the Laws of the Commonwealth which regulate the disbursement of public funds.

The Secretary of the Treasury is hereby authorized and directed to include in the Authorizing Resolution or Resolutions, the commitment which the Commonwealth thus enters into, and that on said bonds it shall state that the good faith, credit and taxing power of the Commonwealth of Puerto Rico is thus pledged.

Section 5.- The Secretary of the Treasury, by Resolution approved by the Governor, is hereby authorized to borrow money and issue notes of the Commonwealth in advance of the bond issue, at any moment, or from time to time, payable solely from the proceeds of said bonds.

Said notes shall be designated as "Notes in Advance of Bonds of the Commonwealth of Puerto Rico," and it shall be consigned thereon that they are issued in advance of such bond issue.

Said notes, including any renewals or extensions thereof, shall be dated, may be issued from time to time with a maturity that shall not exceed five (5) years from the first date of issue, shall bear interest at such rate that shall not exceed that

according to the statutory provisions that regulate the disbursement of public funds, and for the purposes provided herein.

Section 8.- The Secretary of the Treasury is hereby authorized to make provisional advances from any funds available in the Commonwealth Treasury to defray the cost of public works authorized to be financed with the proceeds of the sale of the bonds issued under the provisions of this Act. The Secretary of the Treasury shall reimburse any provisional advance made, out of the first moneys available in the Public Improvements Fund of 2000 .

Section 9.- Pursuant to the determinations of the Director of the Office of Management and Budget, the Secretary of the Treasury, with the approval of the Governor, is hereby authorized to apply any funds appropriated by this Act which are not later needed for the purpose stated herein, to carry out any other capital public works approved by the Legislature, and which are pending to be executed chargeable to the General Fund.

Section 10.- The acquisition and construction of the public improvements authorized to be financed with the proceeds of the sale of bonds issued under the provisions of this Act shall be carried out in accordance with the plans approved by the Planning Board under the provisions of Act No. 75, approved June 24, 1975, known as the "Puerto Rico Planning Board Organic Act, as amended, subject to the subsequent approval of the Government of Puerto Rico.

Section 11.- The Secretary of Transportation and Public Works and the agencies and instrumentalities of the Commonwealth in charge of the programs for which the proceeds of the sale of the bonds issued under the provisions of this Act are to be used, are hereby authorized and empowered to acquire in behalf of the Commonwealth of Puerto Rico or in behalf of such agency or instrumentality, as the case may be, by donation, purchase or exercise of the power of eminent domain in accordance with the Laws of the Commonwealth of Puerto Rico, any land or

Section 17.- This Act shall take effect July 1, 1999, except for the provisions of Section 8 of this Act, which shall take effect immediately after its approval.